

ROUTING AND RECORD SHEET

SUBJECT: (Optional)				
Audit of Foreign Broadcast Information Services				
FROM:		EXTENSION	NO.	
Audit Staff 1201 Key				
			DATE	
			24 Aug 81	
TO: (Officer designation, room number, and building)		DATE		COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
		RECEIVED	FORWARDED	
1.	IG 6E19 Hdqs			
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24 August 1981

MEMORANDUM FOR: Director, Foreign Broadcast Information Service

VIA: Inspector General

FROM:

[Redacted]

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Chief, Audit Staff

SUBJECT: Report of Audit of Foreign Broadcast Information Service, For the Period 1 September 1979 - 30 April 1981

1. Subject audit report is attached for your information. Please advise me of the action taken on the recommendations.

2. We wish to express our appreciation for the cooperation and assistance provided the auditors.

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[Redacted]

Attachment:
As stated

Distribution:

- ✓ Orig. - D/FBIS
- 1 - DDS&T
- 1 - O/Compt/BMG
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REPORT OF AUDIT
Foreign Broadcast Information Service

For the Period
1 September 1979 - 30 April 1981

SUMMARY

1. Foreign Broadcast Information Service (FBIS) administrative controls and procedures are generally effective and in accordance with applicable regulations. Budget management procedures continue to be efficient and informative. There has been significant improvement in the administration of financial and logistical functions during the audit period. This report contains recommendations concerning transfers of account, controls over videocassettes, and establishment of a separate property account for the Engineering Staff of the Operations Group. Observations pertaining to other administrative matters were discussed with responsible officers and resolved during the audit.

SCOPE

2. The audit included a review of administrative functions to evaluate the effectiveness of financial and logistical controls and procedures and to assure compliance with applicable regulations and directives. Financial and logistical transactions were tested to determine whether documentation, approvals, and certifications were in accordance with appropriate accounting and reporting requirements and to ensure that expenditures incurred were within the scope of authorized activities.

3. Six FBIS bureaus were site audited during the audit period and are the subject of separate reports. One bureau was audited in July 1981 and seven bureaus are scheduled for audit in October 1981.

BACKGROUND

4. FBIS monitors, collects, and translates foreign radio, television, and press broadcasts; analyzes published and broadcast media of Communist countries; exploits foreign publications and documents for intelligence information and

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coordinates similar activities with other elements of the Intelligence Community; and publishes and disseminates information of intelligence interest. FBIS also provides translation services to Agency components and other U.S. Government agencies upon request.

5. FBIS is organized into two staffs (Administrative, and Executive and Planning), three groups (Production, Analysis, and Operations), and [] foreign and domestic bureaus. 25X1
The establishment of an additional bureau in Swaziland is planned for Fiscal Year 1982. FBIS also maintains, as part of the Production Group, the Joint Publications Research Service in Arlington, Virginia.

6. FBIS was allotted [] 25X1
in property requisitioning authority for FY 1981. An additional [] was allotted by the Office of Finance to apply against 25X1
reimbursable receipts from other agencies. During the 20-month audit period FBIS incurred expenditures totaling [] 25X1
of which [] million for personnel compensation and [] 25X1
million for field bureau expenses are audited and reported upon separately. FBIS, including JPRS, was accountable for nonexpendable property valued at [] 25X1

7. FBIS has a personnel complement of [] consisting 25X1
of [] employees. Field bureaus are 25X1
assigned [] employees, including [] foreign nationals. 25X1

DETAILED COMMENTS

Transfers of Account

8. Controls and monitoring of FBIS transfers of account (T/A's) have improved since our prior audit. However, some enhancement is still needed in follow-up procedures to ensure that outstanding T/A's are resolved on a more current basis. A review of Account 1452, "Advances to Station - Unacknowledged," disclosed that 23 of 34 balances pertaining to FBIS were over 60 days old, and that most of these balances were applicable to calendar year 1980 bureau accountings, with one item open since October 1979. Subsequent to the audit date, 12 of these old balances were cleared and follow-up action was initiated to resolve the remaining items.

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Recommendation #1: Monitor old balances in Account 1452 more effectively by improving follow-up procedures. Resolve outstanding balances as appropriate.

Videocassettes

9. Controls over videocassettes on loan from the Office of Central Reference (OCR) need to be improved. As of the audit date, the Analysis Group was charged with eight videocassettes that were obtained from OCR. These were in addition to numerous FBIS-produced videocassettes under the purview of the Field Coverage Staff. During an initial audit inventory, the eight cassettes could not be located, and there was no documentation to support their disposition. It was subsequently discovered that they had been transferred to the Joint Publications Research Service.

10. Regulation requires that components establish a control point through which requests for and loans of films and videocassettes will be channeled. In addition, control records must be maintained and periodic inventories taken.

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Recommendation #2: Designate a central control point within FBIS for the monitoring and control of films and videocassettes.

Recommendation #3: Maintain proper records and documentation to support the location of non-FBIS produced materials on loan from OCR.

Property Account

11. A separate property account should be established for the Engineering Staff of the Operations Group. There are 169 line items of property on loan to various FBIS components; of these, 112 are charged to the Engineering Staff. The FBIS Accountable Officer within the Administrative Staff maintains formal records and documents for this property. However, most of the property, which is technical in nature, is physically located at a facility in suburban Maryland and

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is actually under the supervisory control of a logistics officer assigned to the Engineering Staff. Since the property is outside the control of the Accountable Officer, the processing of property transactions requires continuous circulation of appropriate documentation between the two offices. Control would be enhanced and a more efficient administration of property records effected if accountability and recordkeeping for this property were transferred to the responsible Engineering Staff logistics officer.

Recommendation #4: Establish a separate account for Engineering Staff property.

Recommendation #5: Transfer accountability and appropriate records to the responsible logistics officer.

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